

October 5, 2004

Mr. Carlito Caliboso Chairman Hawai'i Public Utilities Commission 465 South King Street, Room 103 Honolulu, Hawai'i 96813

Dear Chair Caliboso:

As president of the Hawai'i Hotel & Lodging Association, I am proud to represent the interests of more than 180 local, national and international chain hotels and more than 600 members. The members of this statewide trade association of hotels, management firms, hotel owners, suppliers, and other related firms and individuals, know the importance of having consistent, reliable service.

The visitor industry does not operate in isolation. We depend heavily on other sectors of our local economy to provide the proper infrastructure throughout our Islands to ensure we can meet the expectations of Hawai'i's visitors. We depend on solid land line phone systems 24 hours a day, seven days a week. The visitor industry would come to a halt without such service.

fact, Hawaii historically had good telecommunications infrastructure including GTE Hawaiian Tel and more recently Verizon. To keep up with technological advances however ongoing investments are necessary.

Therefore, the association was glad to know that The Carlyle Group is planning to upgrade the phone system by making a substantial investment in its infrastructure so that residents, visitors and businesses can have a system that we will be able to count on for years to come. From reservations to room service to wake-up calls, we need partners such as Carlyle to support the industry that supports Hawai`i.

While we know the visitor industry plays a major role in our local economy, the Hawai'i Hotel & Lodging Association has long been an advocate for our state to take a much larger view of our economy and has supported the need for diversification. We believe supporting all business sectors creates a healthy state economy. The Carlyle Group's plans to bring jobs back to the Islands and provide new products and services will be a tremendous boost to the telecommunications segment here in Hawai`i.

Sincerely,

Murray Towill

Hawai'i Hotel & Lodging Association